

**MINUTES OF REGULAR BOARD MEETING
OF
HOLY CROSS ENERGY**

November 18, 2009

A regular meeting of the Board of Directors of Holy Cross Energy, a Colorado corporation (hereinafter called "Holy Cross"), was held at the office of Holy Cross at 3799 Highway 82 in Garfield County, Colorado, at 9:00 A.M. on November 18, 2009.

The Secretary reported that all seven Directors were present, being Thomas R. Turnbull, Robert F. Starodoj, Harold F. Clark, George H. Shaeffer, Michael A. Glass, Lynn E. Dwyer and Adam L. Palmer. Director Emeritus George S. Lamb was also present.

The President adjourned the meeting of the Board of Directors originally convened on October 21, 2009, which had been continued until today's meeting.

The minutes of the regular meeting of the Board held October 21, 2009, were read and, upon motion duly made by Mr. Shaeffer, seconded, put and unanimously approved.

A list of accounts payable was presented. After discussion, and upon motion duly made by Ms. Dwyer, seconded, put and unanimously carried, such list was approved, and the payment of all items thereon was directed, approved and ratified. The President directed that said list be identified by the Secretary as that acted upon at this meeting.

The Board then reviewed the Treasurer's Report for October 2009. After discussion and upon motion duly made by Ms. Dwyer, seconded, put and unanimously carried, the Treasurer's Report was approved.

The Board then reviewed the Safety Report for October 2009, and the minutes for the Safety Operating Committee, dated November 11, 2009.

Upon motion made by Mr. Shaeffer, seconded, put and unanimously carried, the following resolution was adopted:

RESOLVED: That the minutes of the Safety Operating Committee, dated November 11, 2009, are hereby approved.

Todd Jacob, Maintenance/Service Supervisor at the Glenwood Springs facility, with thirty (30) years of service; and Mitch Morgan, Crew Foreman at the Glenwood Springs facility, with thirty (30) years of service, were recognized for their service and presented with service awards.

Attorney Kent Singer reported on pending litigation and other matters. He also requested the Board to take action on a resolution amending the Articles of Incorporation of the Round-Up Foundation. He also reviewed a proposed bylaw amendment to consolidate the Central and Western Director districts. The Board also discussed the procedure for selecting a replacement for Mr. Singer as general counsel.

Upon motion made by Mr. Clark, seconded, put and unanimously carried, the following resolution was adopted:

WHEREAS: The Board of Directors of Holy Cross Energy adopted the initial Articles of Incorporation for the Holy Cross Energy Round-Up Foundation; and
WHEREAS: In order for the Holy Cross Energy Round-Up Foundation to be recognized as a tax-exempt entity the Articles of Incorporation must be amended to include certain specific language as indicated by the Internal Revenue Service; and

WHEREAS: The Board of Directors of Holy Cross Energy hereby desires to make such changes to the Articles of Incorporation as are required for the Holy Cross Energy Round-up Foundation to be recognized as a tax-exempt entity;

NOW THEREFORE, BE IT RESOLVED: That the following amendments to the Holy Cross Round-Up Foundation Articles of Incorporation be approved:

1. 3.1 Purposes. Said organization is organized exclusively for charitable, religious, educational and scientific purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code.

2. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not disposed of shall be disposed of by the Court of Common Pleas of the county in which the principal office of the organization is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

Wayne Alderson, Billing and Rate Analyst/Supervisor, presented the bad debt write-off recommendations. Mr. Alderson also discussed the upcoming retirement of member equity as well as the first meeting of the Round-Up Board.

Upon motion duly made by Mr. Shaeffer, seconded, put and unanimously carried, the following resolution was adopted:

RESOLVED: That the Board approves the write-off and removal of certain balances from the current accounts receivable from the Association's records as provided on the attached list, in the total amount of \$85,679.92.

Tim Charlton, General Manager of Support Services, reported on matters under his supervision. Mr. Charlton recommended that the audit contract with Dreyer & Kelso be extended for the 2010-2011 period.

Upon motion duly made by Mr. Clark, seconded, put and unanimously carried, the following resolution was adopted:

RESOLVED: That the proposal from Dreyer & Kelso to provide audit services to Holy Cross for the fiscal years 2010 - 2011 is hereby approved.

Mr. Charlton also discussed possible meeting sites and times for the 2010 Holy Cross Annual Meeting. The Board considered various times and locations and decided to hold the meeting at the Ramada Inn in Glenwood Springs.

Upon motion duly made by Mr. Starodoj, seconded, put and unanimously carried, the following resolution was adopted:

RESOLVED: That the 2010 Holy Cross Annual Meeting shall be held at the Glenwood Springs Ramada Inn on June 5, 2010, commencing at 10:00 A.M.

Richard Brinkley, General Manager of Electric Operations and Engineering, reported on matters under his supervision. Mr. Brinkley reviewed the system outage report for October 2009. He also reviewed the proposed budget for the Cooley Mesa project. Mr. Brinkley also reported on the status of the Comanche 3 project.

Upon motion duly made by Mr. Clark, seconded, put and unanimously carried, the following resolution was adopted:

RESOLVED: That the total project amount of \$928,191.46 for the Cooley Mesa office project be approved as presented at this meeting and that Management be authorized to execute such contracts and take such steps as necessary to complete the project.

Del Worley, Chief Executive Officer, reported on matters under his supervision. Mr. Worley reviewed a proposal for the buyout of the U.S. Geothermal contract.

Upon motion duly made by Mr. Glass, seconded, put and unanimously carried, the following resolution was adopted:

RESOLVED: That Management be authorized to execute a contract with U.S. Geothermal for the buyout of the REC contract as described at this meeting.

Mr. Worley also reported on the Xcel wholesale rate case. Mr. Worley asked for authority to execute a settlement agreement with respect to the rate case.

Upon motion made by Ms. Dwyer, seconded, put and unanimously carried, the following resolution was adopted:

RESOLVED: That Management be authorized to execute a settlement agreement with respect to the Xcel wholesale rate case in consultation with the Holy Cross's counsel and e-mail confirmation of the terms of the settlement to the Holy Cross Board.

Mr. Worley also reported on the status of the survey that was sent to Holy Cross consumers.

Upon motion duly made by Mr. Glass, seconded, put and unanimously carried, the following resolution was adopted:

RESOLVED: That this Board Meeting is hereby continued until the next regular or special Board Meeting of Holy Cross, provided that the mileage for this day's attendance shall be paid to the Directors as described below.

Directors stated that the miles actually and necessarily traveled in attending this meeting were as follows: Turnbull 28, Starodoj 80, Clark 63, Shaeffer 75, Glass 106, Dwyer 40, Palmer 60 and Lamb 132.

The meeting recessed at 3:10 P.M. on November 18, 2009.

Secretary

APPROVED:

President